



Policy Committee

March 26, 2021
12:00 pm
Special Working Group Meeting
WMBE Policy Discussion

1. Call Meeting to Order
2. Presentation/Discussion
 - a. Shatorah Donovan
Chief Diversity Officer
City of Buffalo
 - b. Q&A
3. Review and Discussion of Draft Policy Document
 1. Overview of PILOT Schedules
 2. Discussion of PILOT Schedules
 3. Discussion of Post Construction Operational Goals
 4. Outreach and Marketing
4. Next Meeting/Adjournment

ERIE COUNTY LEGISLATURE

HON. APRIL N.M. BASKIN
CHAIR OF THE LEGISLATURE
2ND DISTRICT LEGISLATOR



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March 12, 2021

John Cappellino, Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203

☐ *Legislative Assistant*
Pedro Gonzalez-Ortiz
E-Mail:
Pedro.Gonzalez-Ortiz@erie.gov

Dear Mr. Cappellino:

In advance of the next discussion on the ECIDA's MWBE policy proposal, I would like to share some thoughts on the proposal as it currently stands. It is vital to the inclusion and equitable growth of minority and women-owned businesses that the policy we put forward is a policy that will have tangible results.

My concern is the proposed opt-in strategy of offering additional incentives in order to induce greater MWBE participation may not result in actual participation if the incentive is not appealing. As our goal is assessing the pilot to determine what our final policy will be, I suggest a marketing strategy be established to ensure increased participation of MWBE sub-contractors on ECIDA-supported projects.

The incentive will need to be as strong as possible to ensure we realize meaningful impact on the growth of MWBEs in Erie County. Also, it is vital that a sound marketing strategy is created to attract developers to participate in this program.

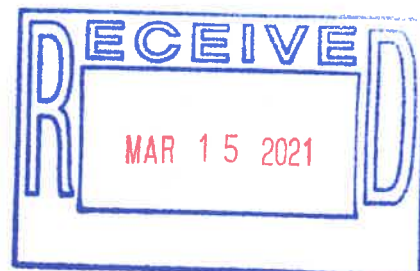
I commit to working on a committee to assist in developing a MWBE marketing plan.

Thank you for your attention to this e-mail. I look forward to the Policy committee's next discussion on the MWBE proposal.

Sincerely,

April N.M. Baskin
Chair, Erie County Legislature
2nd District Legislator

cc: Richard Liptsitz, Chair, ECIDA Policy Committee
Maria Whyte, MWBE Policy Reform Sub-Committee Chair
Brenda McDuffie, ECIDA Board Chair



Summary of ECIDA MWBE, Diversity and Inclusion Incentive Policy Concepts

Overall Goal:

Create a program that will encourage ECIDA tax incentive applicants to promote diversity and inclusion initiatives within their organizations and create MWBE utilization goals for ECIDA incentivized projects (ECIDA project).

Policy Objective:

Projects seeking ECIDA assistance would be incentivized to participate in the Agency's MWBE Diversity and Inclusion Policy. Applicants that participate in the program would receive extra incentives (PILOT) for meeting goals and objectives as outlined in the Policy.

The policy would have two component phases, one for the construction or project procurement period and the second for post construction operations over the term of the ECIDA incentive period.

ECIDA projects would qualify for a "MWBE Enhanced PILOT Schedule" if they achieve the MWBE goals during the construction period and/or meet certain post construction operational diversity and inclusion goals.

Construction Period:

Companies engaging in construction activities (Includes labor and materials as well as design and engineering services) for ECIDA projects would report on MWBE goals and show that they made a "good faith effort", which would include every reasonable attempt to comply with the provisions of the policy to achieve a level of MWBE utilization for the ECIDA project construction period. Percentage of MWBE utilization would be set by the ECIDA board based on the dollar value of the project construction budget.

Post Construction Operational Period:

ECIDA projects could qualify for additional incentives if they would meet or undertake certain post construction operational diversity and inclusion goals or activities.

A list of potential goals and activities would be developed as part of the policy formation that companies could choose from to participate in, including employment utilization goals, procurement goals for operational purchases, and organizational diversity and inclusion training and programming.

Upon application to the ECIDA, businesses would sign up to participate in the program which would allow them to receive potential additional benefits through the MWBE Diversity and Inclusion Enhanced PILOT Schedule. The company's efforts would be monitored through ECIDA's compliance program throughout the term of the incentive period.

Approval Process:

The ECIDA Policy Committee will review the draft MWBE Diversity and Inclusion Incentive Policy and make recommendations to the full ECIDA Board for consideration and approval. If the policy is approved, changes to the Uniform Tax Exemption Policy (UTEP) will be made to include the new MWBE enhanced PILOT. Alterations to the UTEP would involve notifying the taxing jurisdictions of intent to modify the Agency's UTEP.

DRAFT

MWBE ENHANCED PILOT SCHEDULES



General Assumptions

Adjust schedules to provide meaningful incentive to encourage participation in the program

No PILOT years with zero PILOT Payments

Maintain year over year PILOT increases to taxing jurisdictions to the extent possible

MWBE ENHANCED PILOT SCHEDULES



Current 7 Year PILOT Schedule

Year	1	2	3	4	5	6	7	8
PILOT Payment %	10%	10%	20%	20%	30%	30%	30%	100%

MWBE Enhanced 8th Year PILOT Schedule

Year	1	2	3	4	5	6	7	8
PILOT Payment %	5%	5%	10%	15%	20%	25%	30%	30%

Modified Yearly % and added an Extra Year of Benefit

Resulted in 44% difference in total PILOT payments comparing Current 7 Year PILOT Schedule to proposed MWBE Enhanced Schedule of 8 years.

*UTEF Proposing Changing PILOT Schedules

MWBE ENHANCED PILOT - NEW 8 YEAR



Project Examples
 \$500,000 Assessed Value
 Approx. \$2 million Const.

Grand Island										
	% payment	County Payment	City	School	Total PILOT	As if Owned	NET Exemption			
1	0.05	\$140	\$73	\$491	\$704	\$14,080	\$13,376			
2	0.05	\$140	\$73	\$491	\$704	\$14,080	\$13,376			
3	0.1	\$280	\$146	\$983	\$1,408	\$14,080	\$12,672			
4	0.15	\$419	\$219	\$1,474	\$2,112	\$14,080	\$11,968			
5	0.2	\$559	\$292	\$1,965	\$2,816	\$14,080	\$11,264			
6	0.25	\$699	\$365	\$2,456	\$3,520	\$14,080	\$10,560			
7	0.3	\$839	\$438	\$2,948	\$4,224	\$14,080	\$9,856			
8	0.3	\$839	\$438	\$2,948	\$4,224	\$14,080	\$9,856			
Totals:	1.4	\$3,913	\$2,044	\$13,755	\$19,712	\$112,640	\$92,928			

Additional benefit to company over current 7-year schedule **44.00%** **\$15,488**
 Additional benefit to company over Proposed 7-year schedule **41.67%** **\$14,080**

MWBE ENHANCED PILOT - NEW 8 YEAR



Cheektowaga

Project Examples
 \$500,000 Assessed Value
 Approx. \$2 million Const.

	% payment	County Payment	City	School	Total PILOT	As if Owned	NET Exemption
1	0.05	\$140	\$252	\$479	\$871	\$17,420	\$16,549
2	0.05	\$140	\$252	\$479	\$871	\$17,420	\$16,549
3	0.1	\$280	\$504	\$959	\$1,742	\$17,420	\$15,678
4	0.15	\$420	\$755	\$1,438	\$2,613	\$17,420	\$14,807
5	0.2	\$560	\$1,007	\$1,917	\$3,484	\$17,420	\$13,936
6	0.25	\$700	\$1,259	\$2,396	\$4,355	\$17,420	\$13,065
7	0.3	\$840	\$1,511	\$2,876	\$5,226	\$17,420	\$12,194
8	0.3	\$840	\$1,511	\$2,876	\$5,226	\$17,420	\$12,194
Totals	1.4	\$3,920	\$7,049	\$13,419	\$24,388	\$139,360	\$114,972

Additional benefit to company over current 7-year schedule **44.00%**

Additional benefit to company over Proposed 7-year schedule **41.67%**

\$37,532

\$36,124

MWBE ENHANCED PILOT – NEW 8 YEAR



Project Examples
 \$500,000 Assessed Value
 Approx. \$2 million Const.

Buffalo

	% payment	County Payment	City	School	Total PILOT	As if Owned	NET Exemption
1	0.05	\$126	\$419	\$0	\$545	\$10,895	\$10,350
2	0.05	\$126	\$419	\$0	\$545	\$10,895	\$10,350
3	0.1	\$252	\$838	\$0	\$1,090	\$10,895	\$9,806
4	0.15	\$378	\$1,256	\$0	\$1,634	\$10,895	\$9,261
5	0.2	\$504	\$1,675	\$0	\$2,179	\$10,895	\$8,716
6	0.25	\$630	\$2,094	\$0	\$2,724	\$10,895	\$8,171
7	0.3	\$756	\$2,513	\$0	\$3,269	\$10,895	\$7,627
8	0.3	\$756	\$2,513	\$0	\$3,269	\$10,895	\$7,627
Totals	1.4	\$3,528	\$11,725	\$0	\$15,253	\$87,160	\$71,907

Additional benefit to company over current 7-year schedule **44.00%** **\$11,985**
 Additional benefit to company over Proposed 7-year schedule **41.67%** **\$10,895**

MWBE ENHANCED PILOT – NEW 8 YEAR



Project Examples
 \$2,000,000 Assessed Value
 Approx. \$8 million Const.

Buffalo									
	% payment	County Payment	City	School	Total PILOT	As if Owned	NET Exemption		
1	0.05	\$504	\$1,675	\$0	\$2,179	\$43,580	\$41,401		
2	0.05	\$504	\$1,675	\$0	\$2,179	\$43,580	\$41,401		
3	0.1	\$1,008	\$3,350	\$0	\$4,358	\$43,580	\$39,222		
4	0.15	\$1,512	\$5,025	\$0	\$6,537	\$43,580	\$37,043		
5	0.2	\$2,016	\$6,700	\$0	\$8,716	\$43,580	\$34,864		
6	0.25	\$2,520	\$8,375	\$0	\$10,895	\$43,580	\$32,685		
7	0.3	\$3,024	\$10,050	\$0	\$13,074	\$43,580	\$30,506		
8	0.3	\$3,024	\$10,050	\$0	\$13,074	\$43,580	\$30,506		
Totals	1.4	\$14,112	\$46,900	\$0	\$61,012	\$348,640	\$287,628		

Additional benefit to company over current 7-year schedule **44.00%** \$47,938
 Additional benefit to company over Proposed 7-year schedule **41.67%** \$43,580

MWBE ENHANCED PILOT SCHEDULES



Current 10 Year PILOT Schedule

Year	1	2	3	4	5	6	7	8	9	10	11
PILOT%	10%	10%	10%	20%	20%	20%	30%	30%	30%	30%	100%

MWBE Enhanced 11th Year PILOT Schedule

Year	1	2	3	4	5	6	7	8	9	10	11
PILOT%	5%	5%	10%	10%	15%	15%	20%	20%	30%	35%	40%

Modified Yearly % and added an Extra Year of Benefit

Resulted in 34% difference in total PILOT payments comparing Current 10 Year PILOT Schedule to proposed MWBE Enhanced Schedule of 11 years.

*UTEPI Proposing Changing PILOT Schedules

MWBE ENHANCED PILOT – NEW 11 YEAR



Project Examples
 \$500,000 Assessed Value
 Approx. \$2 million Const.

Grand Island

	% payment	County Payment	City	School	Total PILOT	As if Owned	NET Exemption
1	0.05	\$140	\$73	\$491	\$704	\$14,080	\$13,376
2	0.05	\$140	\$73	\$491	\$704	\$14,080	\$13,376
3	0.1	\$280	\$146	\$983	\$1,408	\$14,080	\$12,672
4	0.1	\$280	\$146	\$983	\$1,408	\$14,080	\$12,672
5	0.15	\$419	\$219	\$1,474	\$2,112	\$14,080	\$11,968
6	0.15	\$419	\$219	\$1,474	\$2,112	\$14,080	\$11,968
7	0.2	\$559	\$292	\$1,965	\$2,816	\$14,080	\$11,264
8	0.2	\$559	\$292	\$1,965	\$2,816	\$14,080	\$11,264
9	0.3	\$839	\$438	\$2,948	\$4,224	\$14,080	\$9,856
10	0.35	\$978	\$511	\$3,439	\$4,928	\$14,080	\$9,152
11	0.4	\$1,118	\$584	\$3,930	\$5,632	\$14,080	\$8,448
Totals		\$5,730	\$2,993	\$20,141	\$28,864	\$154,880	\$126,016

Additional benefit to company over current 10-year schedule **33.87%**
 Additional benefit to company over Proposed 10-year schedule **31.67%**

MWBE ENHANCED PILOT – NEW 11 YEAR



Project Examples
 \$500,000 Assessed Value
 Approx. \$2 million Const.

Cheektowaga

	% payment	County Payment	City	School	Total PILOT	As if Owned	Exemptio n
1	0.05	\$140	\$252	\$479	\$871	\$17,420	\$16,549
2	0.05	\$140	\$252	\$479	\$871	\$17,420	\$16,549
3	0.1	\$280	\$504	\$959	\$1,742	\$17,420	\$15,678
4	0.1	\$280	\$504	\$959	\$1,742	\$17,420	\$15,678
5	0.15	\$420	\$755	\$1,438	\$2,613	\$17,420	\$14,807
6	0.15	\$420	\$755	\$1,438	\$2,613	\$17,420	\$14,807
7	0.2	\$560	\$1,007	\$1,917	\$3,484	\$17,420	\$13,936
8	0.2	\$560	\$1,007	\$1,917	\$3,484	\$17,420	\$13,936
9	0.3	\$840	\$1,511	\$2,876	\$5,226	\$17,420	\$12,194
10	0.35	\$980	\$1,762	\$3,355	\$6,097	\$17,420	\$11,323
11	0.4	\$1,120	\$2,014	\$3,834	\$6,968	\$17,420	\$10,452
Totals	2.05	\$5,740	\$10,322	\$19,649	\$35,711	\$191,620	\$155,909

Additional benefit to company over current 10-year schedule **33.87%** \$78,469
 Additional benefit to company over Proposed 10-year schedule **31.67%** \$77,061

MWBE ENHANCED PILOT – NEW 11 YEAR



Buffalo

Project Examples
 \$500,000 Assessed Value
 Approx. \$2 million Const.

	% payment	County Payment	City	School	Total PILOT	As if Owned	NET Exemption
1	0.05	\$126	\$419	\$0	\$545	\$10,895	\$10,350
2	0.05	\$126	\$419	\$0	\$545	\$10,895	\$10,350
3	0.1	\$252	\$838	\$0	\$1,090	\$10,895	\$9,806
4	0.1	\$252	\$838	\$0	\$1,090	\$10,895	\$9,806
5	0.15	\$378	\$1,256	\$0	\$1,634	\$10,895	\$9,261
6	0.15	\$378	\$1,256	\$0	\$1,634	\$10,895	\$9,261
7	0.2	\$504	\$1,675	\$0	\$2,179	\$10,895	\$8,716
8	0.2	\$504	\$1,675	\$0	\$2,179	\$10,895	\$8,716
9	0.3	\$756	\$2,513	\$0	\$3,269	\$10,895	\$7,627
10	0.35	\$882	\$2,931	\$0	\$3,813	\$10,895	\$7,082
11	0.4	\$1,008	\$3,350	\$0	\$4,358	\$10,895	\$6,537
Totals		\$5,166	\$17,169	\$0	\$22,335	\$119,845	\$97,510

Additional benefit to company over current 10-year schedule **33.87%**
 Additional benefit to company over Proposed 10-year schedule **31.67%**

\$37,588
 \$36,498

MWBE ENHANCED PILOT – NEW 11 YEAR



Grand Island

Project Examples
 \$2,000,000 Assessed Value
 Approx. \$8 million Const.

	% payment	County Payment	City	School	Total PILOT	As if Owned	NET Exemption
1	0.05	\$559	\$292	\$1,965	\$2,816	\$56,320	\$53,504
2	0.05	\$559	\$292	\$1,965	\$2,816	\$56,320	\$53,504
3	0.1	\$1,118	\$584	\$3,930	\$5,632	\$56,320	\$50,688
4	0.1	\$1,118	\$584	\$3,930	\$5,632	\$56,320	\$50,688
5	0.15	\$1,677	\$876	\$5,895	\$8,448	\$56,320	\$47,872
6	0.15	\$1,677	\$876	\$5,895	\$8,448	\$56,320	\$47,872
7	0.2	\$2,236	\$1,168	\$7,860	\$11,264	\$56,320	\$45,056
8	0.2	\$2,236	\$1,168	\$7,860	\$11,264	\$56,320	\$45,056
9	0.3	\$3,354	\$1,752	\$11,790	\$16,896	\$56,320	\$39,424
10	0.35	\$3,913	\$2,044	\$13,755	\$19,712	\$56,320	\$36,608
11	0.4	\$4,472	\$2,336	\$15,720	\$22,528	\$56,320	\$33,792
Totals	2.05	\$22,919	\$11,972	\$80,565	\$115,456	\$619,520	\$504,064

Additional benefit to company over current 10-year schedule

33.87%

\$194,304

Additional benefit to company over Proposed 10-year schedule

31.67%

\$188,672

MWBE ENHANCED PILOT – NEW 11 YEAR



Cheektowaga

Project Examples
 \$2,000,000 Assessed Value
 Approx. \$8 million Const.

	% payment	County Payment	City	School	Total PILOT	As if Owned	Exemptio n
1	0.05	\$360	\$1,007	\$1,917	\$3,484	\$69,680	\$66,196
2	0.05	\$560	\$1,007	\$1,917	\$3,484	\$69,680	\$66,196
3	0.1	\$1,120	\$2,014	\$3,834	\$6,968	\$69,680	\$62,712
4	0.1	\$1,120	\$2,014	\$3,834	\$6,968	\$69,680	\$62,712
5	0.15	\$1,680	\$3,021	\$5,751	\$10,452	\$69,680	\$59,228
6	0.15	\$1,680	\$3,021	\$5,751	\$10,452	\$69,680	\$59,228
7	0.2	\$2,240	\$4,028	\$7,668	\$13,936	\$69,680	\$55,744
8	0.2	\$2,240	\$4,028	\$7,668	\$13,936	\$69,680	\$55,744
9	0.3	\$3,360	\$6,042	\$11,502	\$20,904	\$69,680	\$48,776
10	0.35	\$3,920	\$7,049	\$13,419	\$24,388	\$69,680	\$45,292
11	0.4	\$4,480	\$8,056	\$15,336	\$27,872	\$69,680	\$41,808
Totals	2.05	\$22,960	\$41,287	\$78,597	\$142,844	\$766,480	\$623,636

Additional benefit to company over current 10-year schedule **33.87%**
 Additional benefit to company over Proposed 10-year schedule **31.67%**

MWBE ENHANCED PILOT – NEW 11 YEAR



Buffalo

Project Examples
 \$2,000,000 Assessed Value
 Approx. \$8 million Const.

	% payment	County Payment	City	School	Total PILOT	As if Owned	NET Exemption
1	0.05	\$504	\$1,675	\$0	\$2,179	\$43,580	\$41,401
2	0.05	\$504	\$1,675	\$0	\$2,179	\$43,580	\$41,401
3	0.1	\$1,008	\$3,350	\$0	\$4,358	\$43,580	\$39,222
4	0.1	\$1,008	\$3,350	\$0	\$4,358	\$43,580	\$39,222
5	0.15	\$1,512	\$5,025	\$0	\$6,537	\$43,580	\$37,043
6	0.15	\$1,512	\$5,025	\$0	\$6,537	\$43,580	\$37,043
7	0.2	\$2,016	\$6,700	\$0	\$8,716	\$43,580	\$34,864
8	0.2	\$2,016	\$6,700	\$0	\$8,716	\$43,580	\$34,864
9	0.3	\$3,024	\$10,050	\$0	\$13,074	\$43,580	\$30,506
10	0.35	\$3,528	\$11,725	\$0	\$15,253	\$43,580	\$28,327
11	0.4	\$4,032	\$13,400	\$0	\$17,432	\$43,580	\$26,148
Totals	2.05	\$20,664	\$68,675	\$0	\$89,339	\$479,380	\$390,041

Additional benefit to company over current 10-year schedule
 Additional benefit to company over Proposed 10-year schedule

33.87%
 31.67%

\$150,351
 \$145,993



Policy Committee

LIST OF POTENTIAL POST CONSTRUCTION

Operational Diversity & Inclusion Goals and Activities

- Employment Utilization Goals
 - Current Workforce
 - Job Creation Goals
- Procurement Goals
 - Operational Purchases
 - Professional Services
- Organizational Diversity & Inclusion Goals & Activities
 - Leadership/Ownership
 - Company Policies
 - Training & Programming
 - Support for Community Organizations/Activities Advancing D&I
 - Mentorship Programs
- BNP Diversity & Inclusion Checklist & Resources